

ORIGINAL

OPEN MEETING

MEMORANDUM



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2009 JUN -9 P 1:32

AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

JUN - 9 2009

DOCKETED BY

TO: THE COMMISSION

FROM: Utilities Division

DATE: June 9, 2009

RE: IN THE MATTER OF LITTLE PARK WATER COMPANY, INC.'S
APPLICATION FOR DEVIATION FROM, AND THEREAFTER TERMINATION
OF, ITS PREVIOUSLY APPROVED ARSENIC IMPACT FEE TARIFF (DOCKET
NO. W-02192A-09-0143)

Introduction

On March 23, 2009, the Little Park Water Company, Inc. ("LPWC" or "Company") filed a request for termination of its Arsenic Hook-Up Fee ("AHUF") tariff. Decision No. 67886, dated June 1, 2005, approved the AHUF. The Company states that the arsenic treatment plants at both of its wells are completed for a cost of \$227,658.

Company's Water System

LPWC currently serves approximately 69 customers in a portion of Yavapai County near Sedona, Arizona. The water system consists of two wells, three storage tanks and booster systems and an interconnection to its affiliate, Big Park Water Company, Inc. with an 8-inch transmission main to serve the existing and potential customers.

Proposed Revised Arsenic Hook-Up Fee

The Company has collected \$82,500 in AHUFs to date and has a developer who is interested in paying \$118,800 in order to receive service to the 36 meters in its proposed development. This represents \$3,300 per meter and is the same that has been collected from new customers to date. The developer, Camp Soaring Eagle, had entered into a line extension agreement whereby it would pay \$234,300 for AHUF. LPWC is actually requesting approval to amend the line extension agreement to reflect the AHUF of \$3,300 for each connection.

Since the arsenic treatment plants at both of its wells are completed there is no continuing need for an AHUF. The Company is requesting that the AHUF be terminated.

Arizona Department of Environmental Quality ("ADEQ") Approvals

The Certificates of Approval to Construct ("ATC") for the arsenic treatment systems for both Well #1 and Well #2 were issued on June 13, 2008.

THE COMMISSION

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The Certificates of Approval of Construction ("AOC") for the arsenic treatment systems for Well #1 and Well #2 were issued on December 15, 2008 and January 8, 2009, respectively.

Staff's Analysis

Staff has analyzed the Company's request to amend the line extension agreement with Camp Soaring Eagle and its request to terminate the AHUF and believes the requests to be in the public interest.


The balance of the arsenic treatment facilities construction cost of \$26,358 (\$227,658 less \$82,500 and \$118,800) is proposed to be paid for from current earnings of LPWC via a short-term loan from its affiliate, Big Park Water Company, Inc. Staff believes that the Company should request that the short-term loan be approved by the Commission.

Staff's Recommendations

Staff recommends approval of LPWC's request to modify its line extension agreement with Camp Soaring Eagle to reflect the AHUF of \$118,800.

Staff further recommends approval of LPWC's request that the AHUF be terminated.

Staff further recommends that LPWC seek approval from the Commission before entering into any long or short-term financing arrangements.

for 
Ernest G. Johnson
Director
Utilities Division

EGJ:MEM:lhmm/AV

ORIGINATOR: Marvin E. Millsap

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 KRISTIN K. MAYES
Chairman

3 GARY PIERCE
Commissioner

4 PAUL NEWMAN
Commissioner

5 SANDRA D. KENNEDY
Commissioner

6 BOB STUMP
Commissioner

7
8 IN THE MATTER OF THE APPLICATION
9 OF LITTLE PARK WATER COMPANY,
10 INC.'S APPLICATION FOR DEVIATION
11 FROM, AND THEREAFTER
12 TERMINATION OF, ITS PREVIOUSLY
13 APPROVED ARSENIC IMPACT FEE

DOCKET NO. W-02192A-09-0143

DECISION NO. _____

ORDER

14 Open Meeting
15 June 23 and 24, 2009
16 Phoenix, Arizona

17 BY THE COMMISSION:

FINDINGS OF FACT

18 1. Little Park Water Company, Inc., Inc. serves approximately 69 customers in a
19 portion of Yavapai County near Sedona, Arizona.

20 2. On March 23, 2009, the Little Park Water Company, Inc. ("LPWC" or "Company")
21 filed a request for a modification of its Arsenic Hook-Up Fee ("AHUF") tariff. Decision No.
22 67886, dated June 1, 2005, approved the AHUF.

23 3. The water system consists of two wells, three storage tanks and booster systems and
24 an interconnection to its affiliate, Big Park Water Company, Inc. with an 8-inch transmission main
25 to serve the existing and potential customers.

26 4. The Company has collected \$82,500 in AHUFs to date and has a developer who is
27 interested in paying \$118,800 in order to receive service to the 36 meters in its proposed
28 development. This represents \$3,300 per meter and is the same that has been collected from new

1 customers to date. The developer, Camp Soaring Eagle, had entered into a line extension
2 agreement whereby it would pay \$234,300 for AHUF. LPWC is actually requesting approval to
3 amend the line extension agreement to reflect the AHUF of \$3,300 for each connection.

4 5. Since the arsenic treatment plants at both of its wells are completed there is no
5 continuing need for an AHUF. The Company is requesting that the AHUF be terminated. The
6 Certificates of Approval of Construction ("AOC") for the arsenic treatment systems for Well #1
7 and Well #2 were issued on December 15, 2008 and January 8, 2009, respectively.

8 6. The balance of the arsenic treatment facilities construction cost of \$26,358
9 (\$227,658 less \$82,500 and \$118,800) is proposed to be paid for from current earnings of LPWC
10 via a short-term loan from its affiliate, Big Park Water Company, Inc.

11 7. Staff believes that the Company should request that any short-term loan be
12 approved by the Commission.

13 8. Staff has analyzed the Company's request to amend the line extension agreement
14 with Camp Soaring Eagle and its request to terminate the AHUF and believes the requests to be in
15 the public interest.

16 9. Staff recommends approval of LPWC's request to modify its line extension
17 agreement with Camp Soaring Eagle to reflect the AHUF of \$118,800.

18 10. Staff further recommends approval of LPWC's request that the AHUF be
19 terminated.

20 11. Staff further recommends that LPWC seek approval from the Commission before
21 entering into any long or short-term financing arrangements.

22 CONCLUSIONS OF LAW

23 1. The Company is a public service corporation within the meaning of Article XV,
24 Section 2 of the Arizona Constitution and Arizona Revised Statutes ("A.R.S.") §§40-250 and
25 40-252.

26 2. The Commission has jurisdiction over the Company and of the subject matter of the
27 application.

28 ...

4. The Commission, having reviewed the application and Staff's memorandum dated June 9, 2009, concludes that the modification of the Company's line extension agreement with Camp Soaring Eagle to reduce the AHUF to \$118,800 and terminate the Arsenic Impact Fee Tariff is reasonable, fair and equitable and therefore in the public interest.

5. Staff's recommendations, as set forth in Findings of Fact Nos. 8, 9 and 10, are reasonable and should be adopted.

ORDER

IT IS THEREFORE ORDERED that the application by Little Park Water Company, Inc., to modify the Company's line extension agreement with Camp Soaring Eagle to reduce the AHUF to \$118,800 is approved.

IT IS FURTHER ORDERED that Little Park Water Company, Inc's request that the AHUF be terminated is approved.

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IT IS FURTHER ORDERED that Little Park Water Company, Inc. seek approval from the Commission before entering into any long or short-term financing arrangements.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, MICHAEL P. KEARNS, Interim Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this _____ day of _____, 2009.

MICHAEL P. KEARNS
INTERIM EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

EGJ:MEM:lhv/AV

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